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ABSTRACT

Data on the financial position of Ontario's universities are provided. Statistical tables and graphs cover: expenditures per client served, 1977-1985; percentage increase in provincial operating grants and total budgetary expenditures, 1977-1986; Ontario Universities' share of provincial budgetary expenditures; growth of Ontario Gross Domestic Product, government, and grants to universities, 1977-1985; interprovincial comparisons of operating grants to universities per full-time equivalent student, 1977-1986; provincial operating grants for universities per $1,000 of provincial personal income; percentage of universities' general operating income, 1984-1985; percentage of universities' total income, 1984-1985; estimated tax capacity, tax revenue, and tax effort, 1985-1986; capital expenditures and borrowings, Province of Ontario, 1977-1987; average salaries of full, associate, and assistant professors, 1977-1985; comparison of benefit costs, 1977-1986; index of expenditure on library acquisitions; and total expenses by province for buildings, land, and site services, 1984-1985. Appendices include an update of the Ontario University Non-Salary Price Index and a 1985-1986 summary of the Report of the Committee on Enrolment Statistics and Projections. (SW)

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THE FINANCIAL POSITION OF UNIVERSITIES IN ONTARIO

This report continues a pattern of analysis of the financial position of Ontario's universities which has been developed over many years by the Operating Grants Committee of the Council of Ontario Universities. By way of change from previous years, the Committee has decided that all tables and graphs will use the year 1977-78 as a base. That year was chosen because it was the last in which the funding advice of the Ontario Council on University Affairs, the Government's advisory body on universities, was accepted. Incidentally, it was also the year in which the federal government's transfers to the provinces for post-secondary education were changed from conditional to block-grant funding under the Established Programs Financing arrangements.

Figure 1 and Table 1 show a decline in the constant dollar value of university operating funds per student of 16.2% between 1977-78 and 1984-85. During the same period, the cost per elementary and secondary school pupil increased 10.6% and the costs per diem for hospital patients increased 15.4%. Figure 2 and Table 2 show that in each year since 1977-78, the growth rate of grants to universities has been less than the growth of expenditures by the provincial government as a whole. As a result, the share of Ontario government budgetary expenditures going to universities declined by more than 16% (see Table 3). The level of support to Ontario universities would have been $250 million higher in 1985-86 had they maintained the same share of the provincial budget that they received in 1977-78.

In addition to not having shared equally in the rate of growth of government expenditure, neither have universities shared in the benefits of the province's economic growth. Figure 3 and Table 4 demonstrate that, compared to the expansion of Ontario's Gross Domestic Product, grants to universities declined by 16.4% between 1977-78 and 1984-85. Grants to universities have grown at a rate barely two-thirds the rate of growth of the GDP (see Table 5). This is in contrast to the pattern for total Ontario government budgetary expenditures which have grown at almost exactly the same rate as the Gross Domestic Product.

Ontario universities are among the most poorly funded in the country. Figure 4 and Table 6 demonstrate that in every year since 1977-78, the level of operating grants to Ontario universities has been lower than in almost every other province and significantly below the average for the rest of Canada. During this period, total operating grants to Ontario universities increased at a rate 6% less than the rate of inflation. In contrast, state appropriations for higher education in the United States increased by 14.5% in constant dollar terms (see Figure 5).

Operating grants to universities, as a proportion of provincial personal income, have been lower in Ontario than in any other province in the country in every year for the past decade (see Table 7). In fact, the latest report of the Tripartite Committee on Interprovincial Comparisons indicates that Ontario is below average on almost every indicator calculated (see Table 8).

Ontario universities rely more heavily on tuition and other fees and on other non-government income than do those in most other provinces. In 1984-85, Ontario universities received 24.2% of their operating funds

and 44.9% of their total funds from fees and other income - a larger percentage than in any other province except Nova Scotia and much greater than that which obtained in most universities in the other nine provinces (see Tables 9 and 10).

The COU Committee on Operating Grants has demonstrated many times in the past that the provincial government has adequate funds at its disposal to support this province's universities. The federal government has increased the level of Established Programs Financing support for post-secondary education in Ontario by 140% in the decade between 1977-78 and 1986-87. In the same time period, the Ontario government's grants to universities have increased 90%. As a result, federal support for Ontario universities, which equalled 73.5% of provincial operating grants in 1977-78, will cover 92.7% of these grants in 1986-87 (see Table 11).

More generally, the Ontario government as a whole raises less in the way of revenues, relative to the size of the province and its economy, than any other provincial government in Canada (see Table 12). The Ontario government's overall tax effort could be increased by about one-fifth without exceeding the average for the other nine provinces (see Table 13). Expenditures have been restrained to such an extent that, in most years, the Ontario government ran a large "operating" surplus and borrowed only to make capital investments in the province's infrastructure. (see Table 14).

The results of underfunding have been felt across the whole range of activities of each Ontario university. In the period under review, academic salaries have declined relative to inflation (see Table 15).

Universities spent less in total constant dollars on academic salaries at the end of this period than at the beginning. The same was true for non-academic staff. If university enrolments are taken into account, as some broad measure of output, salary costs - both academic and non-academic - per full-time equivalent enrolment declined by almost 20% (see Table 16).

The cost of employee benefits continues to be problematic, particularly with respect to statutory benefit schemes. Between 1977-78 and 1985-86, the constant dollar cost of Canada Pension Plan employer contributions increased by 12%, Worker's Compensation costs increased by 61%, and Unemployment Insurance costs increased by 68%. Only OHIP premiums cost Ontario universities slightly less when the data were adjusted for inflation. Universities were also spending significantly more on long term disability benefits, dental insurance, extended health care, and remission of employees' tuition fees (see Table 17).

Overall, the statutory benefit plans run by governments increased in constant-dollar cost by about 30% while the non-statutory, privately-operated plans increased by only about 9%. Notwithstanding, benefits as a percentage of salaries remain less for universities (12.8%) than for government (15.3%) (see Figure 6).

Since 1977-78, library acquisition expenditures have been increased as a proportion of universities' total operating budgets. At the same time, however, the average cost of books and periodicals increased by 136.1% (compared to a CPI increase of 77.5%) and the actual value of library acquisitions therefore declined by 16.5%. Because of increased enrolment, the value of library acquisitions per student declined 27.8%

between 1977-78 and 1984-85 (see Figure 7 and Table 18).

On the physical plant side, universities have fared little better. In 1984-85, universities in the rest of Canada spent about three and one-half times as much for each student enrolled as did universities in Ontario (see Table 19). Over the longer term, expenses for replacing or refurbishing buildings and equipment have not been adequate to compensate for the depreciation of that physical plant (see Table 20). In effect, the constant dollar value of Ontario universities' building and equipment is less now than it was a decade ago. Ontario universities have lost a substantial portion of their capital assets.

An average of the best estimates of inflationary pressures during 1987-88 suggests that the Consumer Price Index will increase by 3.7% (see Table 21). Given the historical relationship between CPI and the Ontario University Non-Salary Price Index, one might expect an increase in OUNSPI in 1987-88 of about 4.4% (see Figure 8, Table 22 and Appendix A). If the cost of employee benefits grow at the same ratio to salaries as that experienced since 1977-78, the cost of benefits will increase by about 5.0% in 1987-88 (see Table 23). Progress through the ranks is expected, by the COU faculty flow model, to cost 1.87% of salaries and benefits in 1987-88. No enrolment change is expected (see Appendix B).

None of these costs trends is explicitly recognized by the Treasurer's announced increase of 4% in additional operating grants to universities for 1987-88. Without substantial additional base funding or an expansion of the University Excellence Fund, the result will be a continuation of the underfunding which has plagued Ontario universities for the past decade.

FIGURES AND TABLES

Figure 1
INDEX OF EXPENDITURES PER CLIENT SERVED IN ONTARIO
1977–78 to 1984–85
(In Constant Dollars)

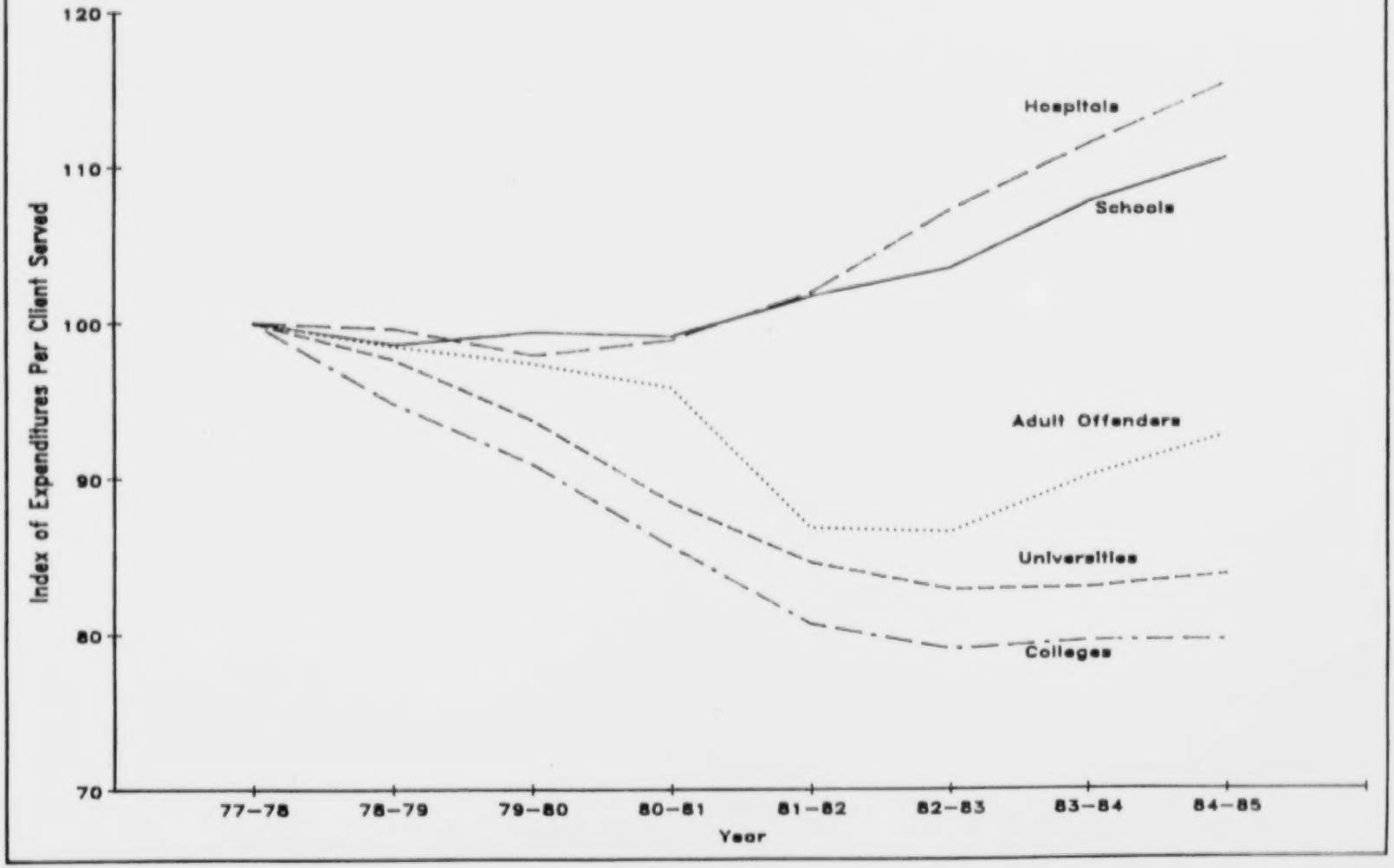

Table 1

Expenditures per Client Served, 1977-78 to 1984-85

		1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Elementary & Secondary Education (total school costs per pupil)1	Actual	$ 2,083	$ 2,240	$ 2,468	$ 2,735	$ 3,149	$ 3,504	$ 3,839	$ 4,091p
	Constant	2,083	2,053	2,071	2,064	2,119	2,156	2,246	2,305
	Index	**100.0**	**98.6**	**99.4**	**99.1**	**101.7**	**103.5**	**107.8**	**110.6**
Hospitals (gross operating costs per diem)2	Actual	$151.91	$165.06	$177.19	$199.15	$230.06	$264.67	$289.52	$311.06
	Constant	151.91	151.29	148.65	150.30	154.82	162.87	169.41	175.25
	Index	**100.0**	**99.6**	**97.9**	**98.9**	**101.9**	**107.2**	**111.5**	**115.4**
CAATs (operating cost per FTE student)3	Actual	$ 3,558	$ 3,679	$ 3,857	$4,035	$ 4,261	$ 4,567	$ 4,840	$ 5,027p
	Constant	3,558	3,372	3,236	3,045	2,867	2,811	2,832	2,832
	Index	**100.0**	**94.8**	**90.9**	**85.6**	**80.6**	**79.0**	**79.6**	**79.6**
Adult Offenders (expenditure per inmate day)4	Actual	$ 47.50	$ 50.97	$ 55.09	$ 60.32	$ 61.22	$ 66.80	$ 73.16	$ 78.17
	Constant	47.50	46.72	46.22	45.52	41.20	41.11	42.81	44.04
	Index	**100.0**	**98.4**	**97.3**	**95.8**	**86.7**	**86.5**	**90.1**	**92.7**
Universities (operating expense per FTE student)5	Actual	$ 4,723	$ 5,030	$ 5,277	$ 5,534	$ 5,929	$ 6,354	$ 6,697	$7,021
	Constant	4,723	4,610	4,427	4,176	3,990	3,910	3,918	3,956
	Index	**100.0**	**97.6**	**93.7**	**88.4**	**84.5**	**82.8**	**83.0**	**83.8**

p = preliminary

Sources:
1. Ministry of Education.
2. Ministry of Health, Hospital Statistics, various years.
3. Ministry of Colleges and Universities, Multi-Year Plan Analysis of the Colleges of Applied Arts and Technology, various years.
4. Ministry of Correctional Services.
5. Ministry of Colleges and Universities, MCU Financial Report, various years; COU Special Committee on Macro-Indicators Ontario Universities Statistical Compendium, various years; and Committee of Finance Officers - Universities of Ontario, Financial Report of Ontario Universities, various years.

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Figure 2
VARIANCE BETWEEN GROWTH IN UNIVERSITY GRANTS
AND PROVINCIAL BUDGETARY EXPENDITURES
1977–78 to 1985–86

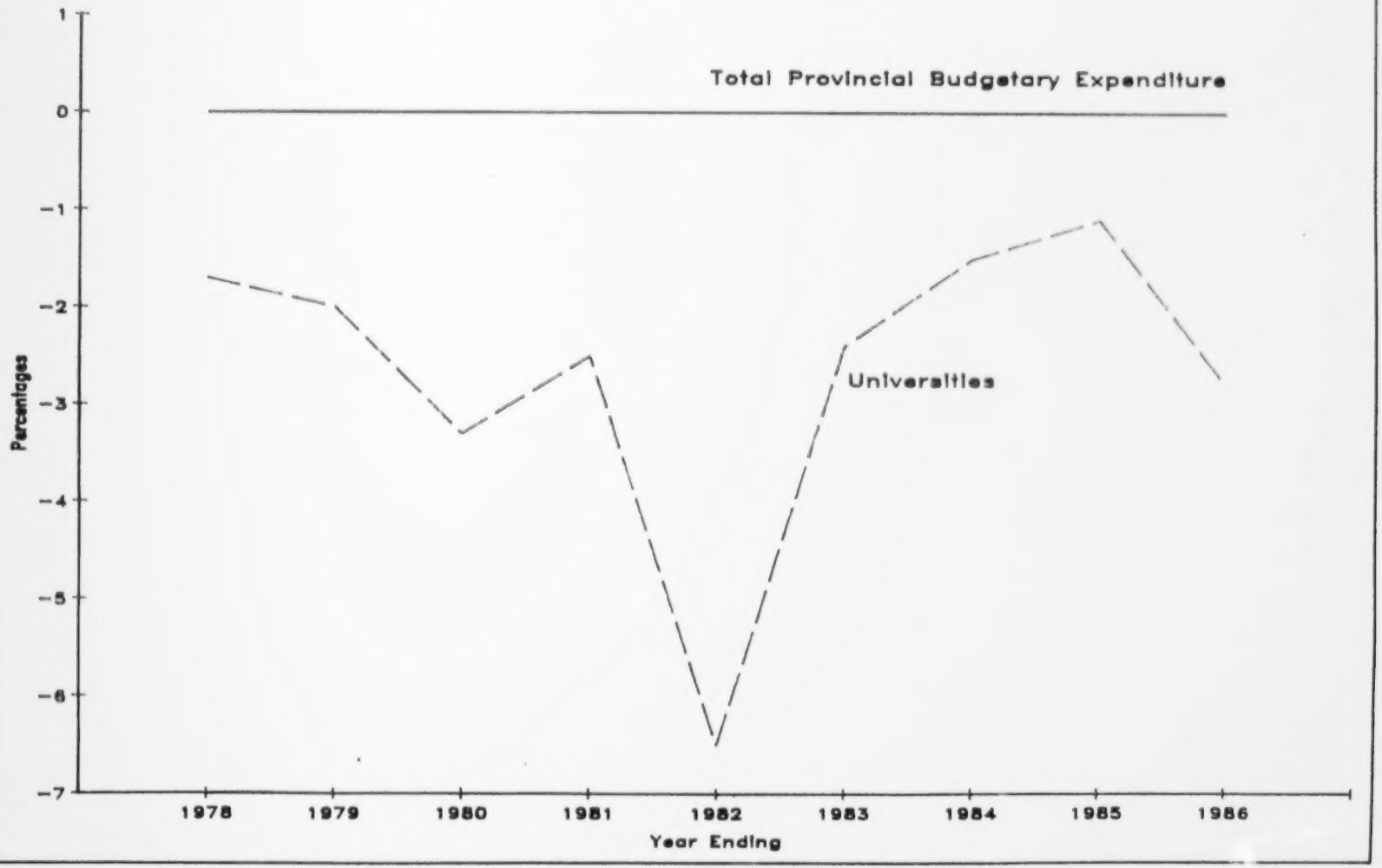

Table 2

Percentage Increase in Provincial Operating Grants and Total Budgetary Expenditures 1977-78 to 1985-86

	Operating Grants to Ontario Universities	Total Provincial Budgetary Expenditures	Universities Difference from Provincial Annual Increase
1977-78	8.4	10.1	(1.7)
1978-79	5.8	7.8	(2.0)
1979-80	5.1	8.4	(3.3)
1980-81	7.2	9.7	(2.5)
1981-82	10.2	16.7	(6.5)
1982-83	12.1	14.5	(2.4)
1983-84	7.5	9.0	(1.5)
1984-85	6.5	7.6	(1.1)
1985-86 (estimate)	5.0	7.8*	(2.8)
Average	7.5	10.2	(2.6)

Source: Province of Ontario, Public Accounts, various years.
Province of Ontario, 1985 Ontario Budget, 24 October 1985.

*Estimates of total provincial budgetary expenditure increases have been consistently understated. This has resulted in consistently underestimating the differences between increases in grants to universities, which do not change during the fiscal year, and increases in total provincial budgetary expenditures.

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Table 3

Ontario Universities' Share of Provincial Budgetary Expenditures

(Excluding Public Debt Interest Payments)

	Universities' Share	Universities' Annual Shortfall from 1977-78 Level of Government Support	
	%	%	$ millions
1977-78	5.92	-	-
1978-79	5.87	0.87	6.5
1979-80	5.61	5.22	43.1
1980-81	5.50	7.09	64.0
1981-82	5.18	12.43	131.1
1982-83	5.08	14.22	171.7
1983-84	5.05	14.62	190.5
1984-85	5.04	14.86	206.8
1985-86 (estimate)	4.93	16.66	248.6

Source: Ontario, Public Accounts, various years.
Ontario, 1985 Ontario Budget, 24 October 1985.

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Figure 3
GROWTH IN ONTARIO GDP, GOVERNMENT,
AND GRANTS TO UNIVERSITIES
1977–78 to 1984–85

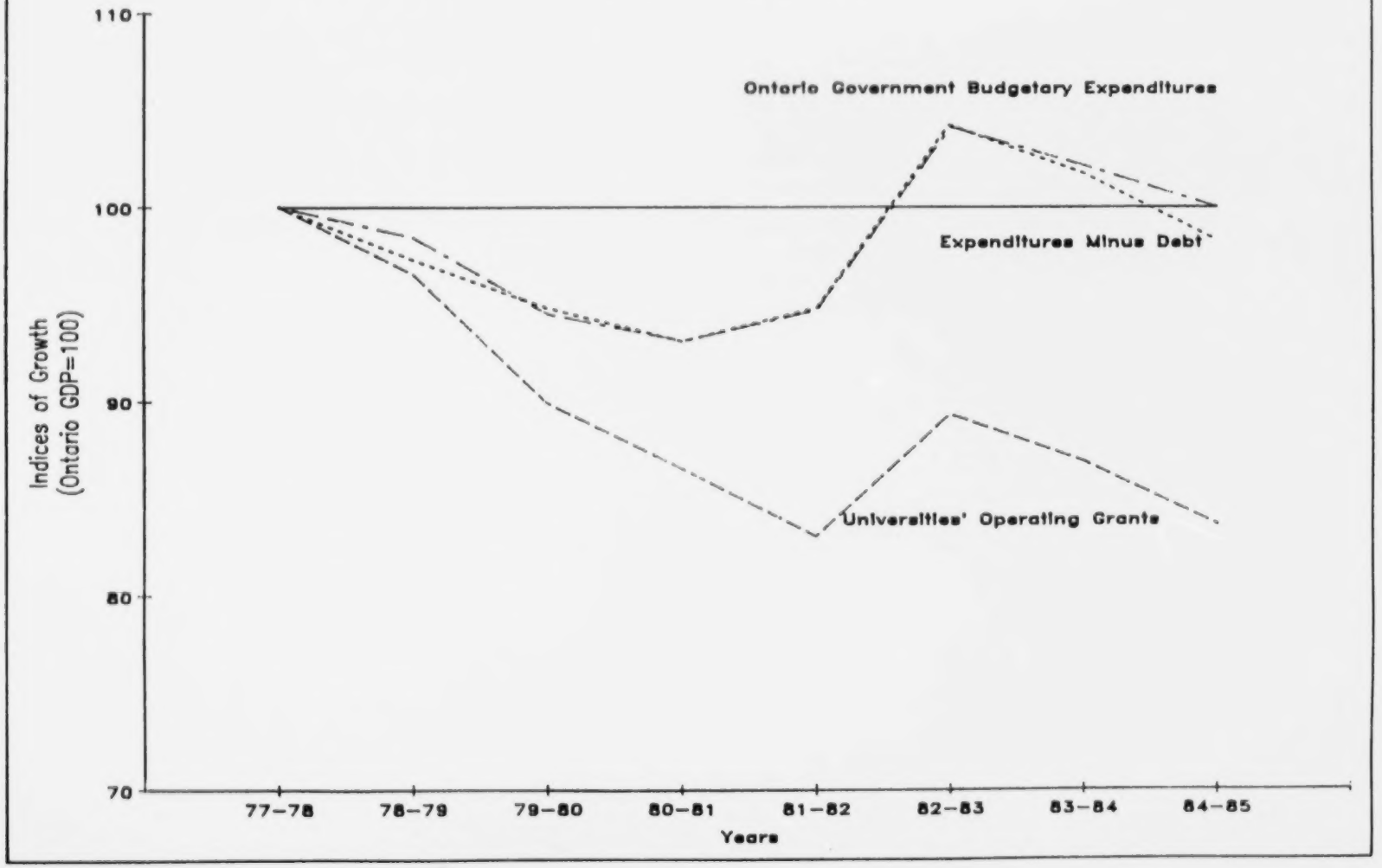

Table 4

Growth of Ontario GDP, Government and Grants to Universities

1977-78 to 1984-85

	GDP Index Values	Government Expenditures Index	Government Minus Debt Interest Index	Universities' Grants Index	Growth of Government vs. GDP	Government Minus Debt Interest vs. GDP	Growth of Universities' Grants vs. GDP
1977-78	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1978-79	109.6	107.8	106.7	105.8	98.4	97.3	96.5
1979-80	123.7	116.9	117.3	111.1	94.5	94.8	89.9
1980-81	137.8	128.2	128.2	119.1	93.1	93.1	86.5
1981-82	158.1	149.7	149.9	131.3	94.7	94.8	83.0
1982-83	164.7	171.4	171.6	147.2	104.1	104.2	89.3
1983-84	182.1	185.9	185.2	158.2	102.1	101.7	86.9
1984-85	201.4	201.3	197.8	168.4	100.0	98.2	83.6

Note: The first four columns of information measure the growth of the economy (as measured by the Gross Domestic Product), the growth of provincial government expenditures, the growth of those same expenditures but excluding public debt interest payments, and the growth of operating grants to universities. The last three columns compare the rates of growth of goverment expenditures (including and excluding debt payments) and grants to universities with the rate of growth of the economy. That is, an index value of 100.0 indicates an identical growth rate to that of the GDP, a lesser value indicates a lower rate of growth, and a value greater than 100.0 indicates a growth rate greater than the growth rate of the GDP.

Sources: Statistics Canada
Public Accounts of Ontario

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Table 5

GDP Elasticity, 1972-73 to 1984-85
(Growth Rates of Government Expenditures and University Grants as a Ratio of GDP Growth)

	Ontario Government Budgetary Expenditures	Government Minus Debt Interest	Operating Grants to Universities
1972-73 to 1977-78	1.192	1.138	0.899
1977-78 to 1981-82	0.855	0.859	0.538
1977-78 to 1984-85	0.999	0.964	0.674
1972-73 to 1984-85	1.121	1.061	0.723

Note: In this table, "elasticity" refers to the growth of total government expenditures and operating grants to universities relative to the growth in the economy. The table demonstrates that as the economy, stated in terms of Gross Domestic Product, expands or contracts, then total government expenditures and operating grants to universities will expand or contract at a ratio greater or lesser than 1.00. That is, if government expenditures or grants to universities are increasing at a faster rate than the GDP, this table will reflect elasticities greater than 1.00.

Sources: Statistics Canada
Ontario, Public Accounts

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Figure 4
INDEX OF OPERATING GRANTS PER FTE ENROLMENT
1977–78 to 1985–86
(Canadian Average = 100)

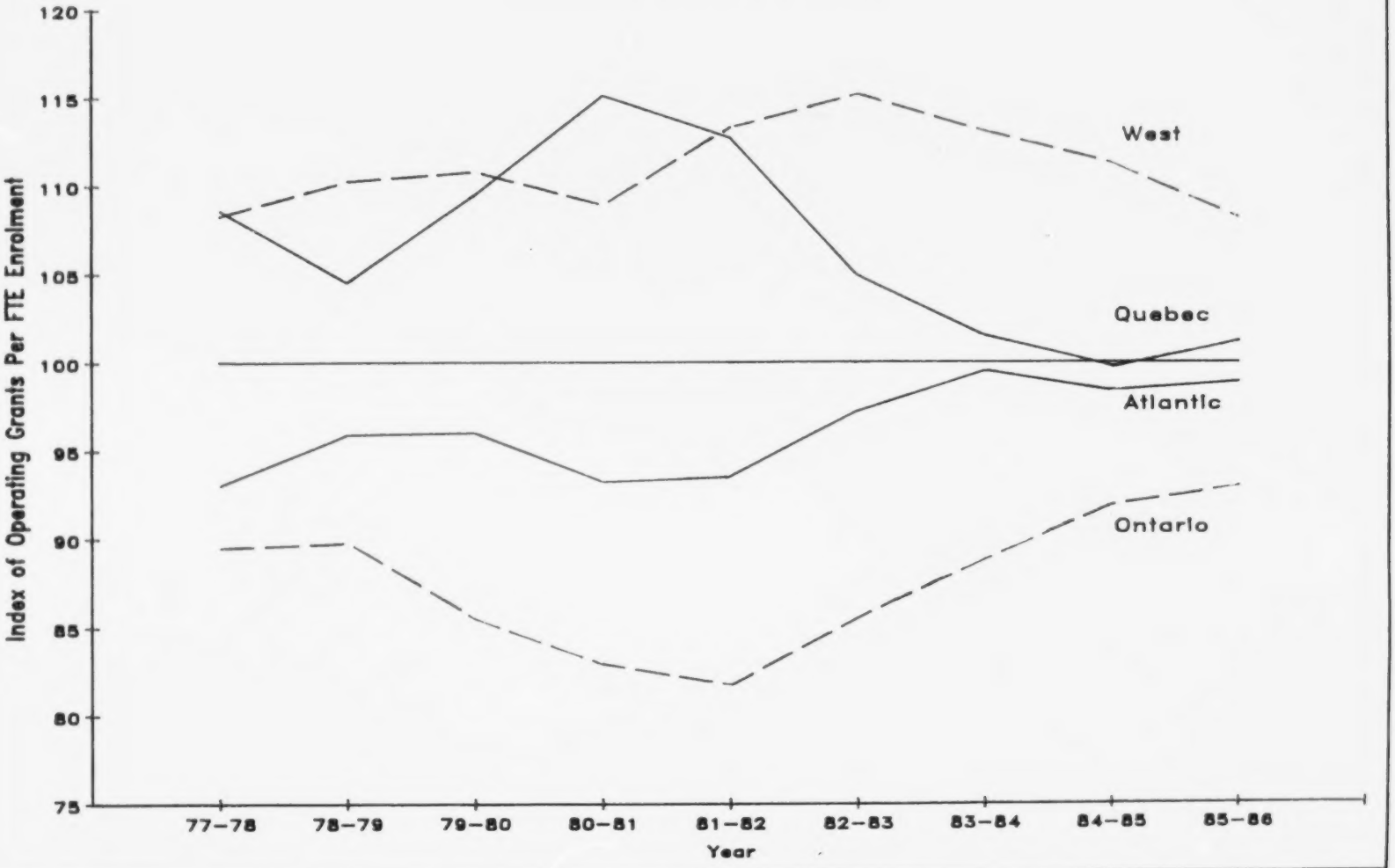

Table 6

Interprovincial Comparisons of Operating Grants to Universities

Per FTE Student 1977-78 to 1985-86

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85e	1985-86e
British Columbia	$4,521 (3)	$5,025 (3)	$5,337 (3)	$5,683 (4)	$6,433 (2)	$6,402 (3)	$6,072 (4)	$5,919 (4)	$5,707 (6)
Alberta	4,797 (1)	5,340 (2)	5,815 (2)	6,284 (1)	6,812 (1)	7,328 (1)	7,182 (2)	7,264 (1)	7,367 (1)
Saskatchewan	4,108 (5)	4,616 (5)	5,098 (5)	5,304 (5)	5,619 (5)	6,149 (4)	6,106 (3)	6,267 (3)	6,628 (3)
Manitoba	3,874 (7)	4,124 (7)	4,771 (6)	4,499 (7)	5,062 (6)	5,362 (6)	5,582 (6)	5,733 (6)	5,877 (5)
Quebec	4,449 (4)	4,657 (4)	5,299 (4)	5,935 (2)	6,176 (3)	5,915 (5)	5,713 (5)	5,735 (5)	6,027 (4)
New Brunswick	3,905 (6)	4,364 (6)	4,762 (7)	4,929 (6)	4,998 (7)	5,270 (7)	5,175 (7)	5,404 (7)	5,684 (7)
Nova Scotia	3,497 (9)	3,819 (9)	4,074(10)	4,379 (9)	4,908 (8)	5,079 (8)	5,154 (8)	5,332 (8)	5,572 (8)
Prince Edward Island	3,030(10)	3,544(10)	4,246 (8)	4,441 (8)	4,720 (9)	5,023 (9)	5,089 (9)	5,275(10)	5,477(10)
Newfoundland	4,625 (2)	5,485 (1)	5,994 (1)	5,684 (3)	5,847 (4	6,912 (2)	7,788 (1)	6,987 (2)	7,070 (2)
9 Provinces	4,347 -	4,705 -	5,232 -	5,644 -	6,037 -	6,088 -	5,964 -	5,990 -	6,171 -
Ontario (Rank)	3,669 (8)	4,002 (8)	4,140 (9)	4,273(10)	4,475(10)	4,821(10)	5,000(10)	5,283 (9)	5,539 (9)
Canada	$4,097 -	$4,455 -	$4,840 -	$5,155 -	$5,480 -	$5,639 -	$5,629 -	$5,747 -	5,955 -

e = estimate

Source: Tripartite Committee on Interprovincial Comparisons, April 1986, for actual data. COU Research Division for estimates.

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Figure 5
GROWTH IN STATES' APPROPRIATIONS AND
PROVINCIAL GRANTS TO HIGHER EDUCATION
1977–78 TO 1985–86
(CONSTANT DOLLARS)

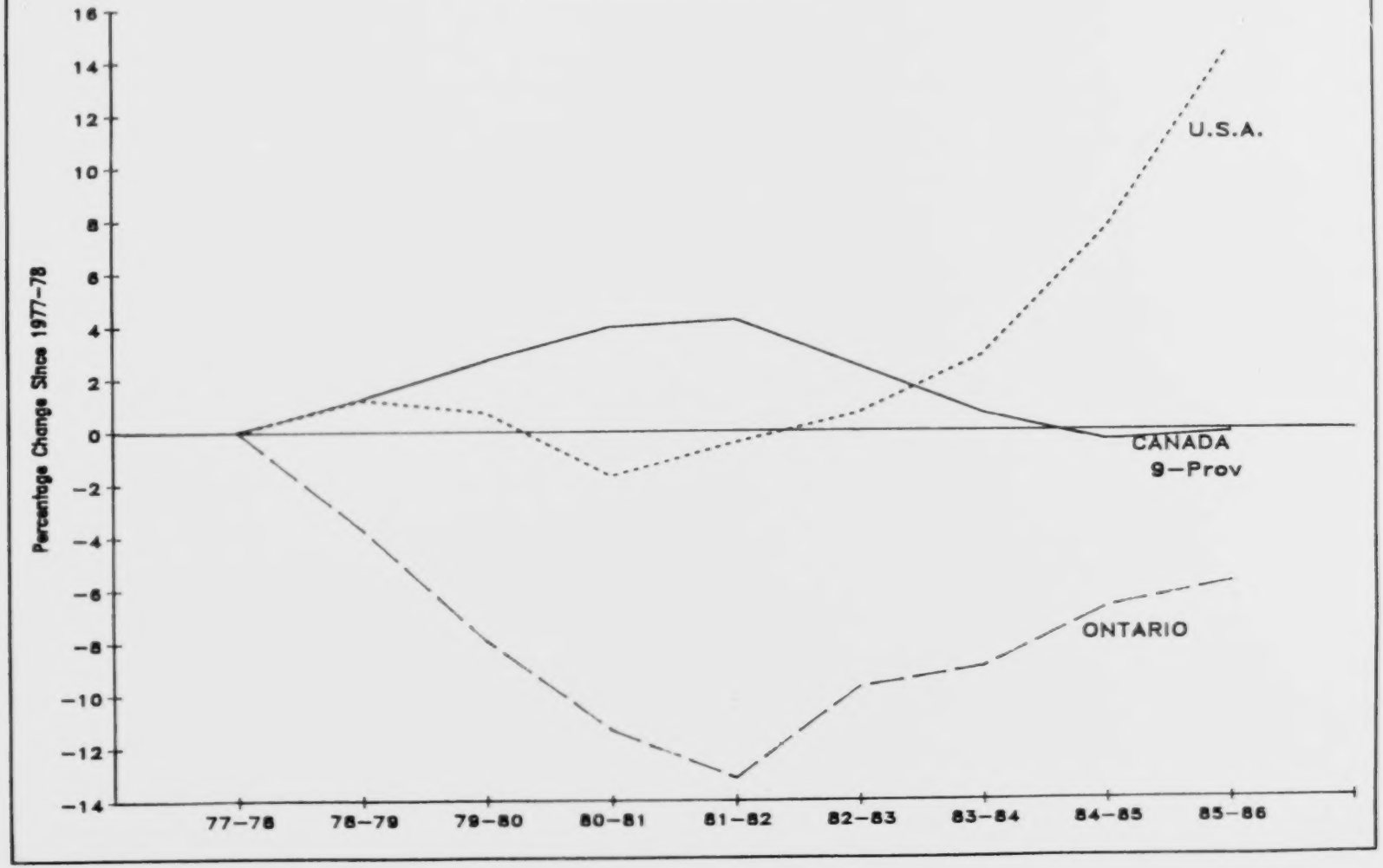

Table 7

Provincial Operating Grants for Universities

Per $1,000 of Provincial Personal Income

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85e	Rank 1984-85
British Columbia	$ 10.70	$ 10.57	$ 9.91	$ 9.41	$ 9.39	$ 9.24	$ 8.70	$ 7.91	(9)
Alberta	13.97	13.10	11.87	10.90	10.26	11.04	11.26	11.32	(5)
Saskatchewan	12.09	11.83	11.30	10.74	9.16	10.05	10.27	10.34	(8)
Manitoba	13.00	11.79	12.12	11.13	10.49	11.14	11.75	10.97	(7)
Quebec	13.87	14.12	14.44	14.87	13.98	12.95	12.49	12.02	(4)
New Brunswick	14.12	13.90	13.41	13.31	13.01	13.26	12.78	12.58	(3)
Nova Scotia	15.76	15.14	14.24	14.39	14.26	14.24	14.15	13.68	(1)
Prince Edward Island	12.76	11.68	12.22	11.38	11.23	11.49	10.83	11.00	(6)
Newfoundland	15.26	15.24	15.21	14.85	14.33	14.16	13.77	13.01	(2)
9 Provinces	13.22	13.03	12.77	12.57	11.89	11.69	11.46	11.05	-
Ontario	10.01	9.47	8.87	8.44	7.94	8.18	8.05	7.89	-
(Rank)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	-	(10)
Canada	11.96	11.64	11.25	10.98	10.38	10.34	10.14	9.81	-

e = estimate

Source: Tripartite Committee on Interprovincial Comparisons, April 1986, for actual data. COU Research Division for estimates.

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Table 8

Interprovincial Comparisons of University Financing
1983-84

Indicators	Ontario	Rank	Average Of Rest Of Canada	Additional Funding Required To Equal Rest Of Canada	
				Total Required ($ millions)	Total Per Student $
1) GRANTS PER STUDENT	$ 5,000	(10)	$ 5,964	$ 202.2	$ 963
2) GRANTS PER CAPITA	$ 118	(9)	$ 147	$ 255.0	1,215
3) GRANTS + STUDENT AID PER CAPITA	$ 125	(9)	$ 157	$ 289.4	1,379
4) GRANTS + FEES PER STUDENT	$ 6,352	(7)	$ 6,690	$ 70.9	338
5) TOTAL OPERATING INCOME PER STUDENT	$ 6,731	(6)	$ 7,196	$ 97.5	414
6) GRANTS + STUDENT AID AS A % OF GROSS GENERAL EXPENDITURE	4.18%	(2)	3.90%	$ -74.3	-354
7) GRANTS PER $1,000 OF PERSONAL INCOME	$ 8.05	(10)	$ 11.46	$ 444.4	2,117
8) OPERATING EXPENDITURES AS A % OF GROSS DOMESTIC PRODUCT	0.92%	(8)	1.14%	$ 333.6	1,589

Source: Tripartite Committee on Interprovincial Comparisons, April 1986.

Table 9

Percentage of Universities' General Operating Income, 1984-85

	Provincial Government Grants		Tuition Fees Credit Courses		Other Operating Income		Total Operating Income
	%	Rank	%	Rank	%	Rank	%
British Columbia	81.0	(6)	14.6	(5)	4.4	(7)	100.0
Alberta	84.7	(2)	10.1	(9)	5.2	(3)	100.0
Saskatchewan	82.6	(4)	12.7	(7)	4.8	(5)	100.0
Manitoba	82.3	(5)	13.0	(6)	4.7	(6)	100.0
Quebec	87.6	(1)	8.0	(10)	4.4	(8)	100.0
New Brunswick	77.8	(7)	18.4	(2)	3.8	(9)	100.0
Prince Edward Island	76.9	(8)	18.3	(3)	4.8	(4)	100.0
Nova Scotia	73.6	(10)	17.9	(4)	8.5	(1)	100.0
Newfoundland	84.4	(3)	11.9	(8)	3.7	(10)	100.0
9 Provinces	83.7	-	11.4	-	4.9	-	100.0
Ontario	75.8	(9)	18.4	(1)	5.8	(2)	100.0
Canada	80.7%		14.1%		5.2%		100.0%

Source: Canadian Association of University Business Officers, Financial Statistics of Universities and Colleges 1984-85

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Table 10

Percentage of Universities' Total Income, 1984-85

	Provincial Government Grants		Total Fees		Other Income		Total Income
	%	Rank	%	Rank	%	Rank	%
British Columbia	59.5	(8)	12.3	(5)	28.2	(3)	100.0
Alberta	69.7	(3)	7.3	(9)	23.0	(7)	100.0
Saskatchewan	64.6	(5)	9.6	(8)	25.8	(5)	100.0
Manitoba	64.7	(4)	9.7	(7)	25.6	(6)	100.0
Quebec	70.2	(1)	7.2	(10)	22.6	(8)	100.0
New Brunswick	59.7	(7)	14.2	(3)	26.1	(4)	100.0
Prince Edward Island	63.4	(6)	15.1	(1)	21.5	(9)	100.0
Nova Scotia	52.7	(10)	14.0	(4)	33.3	(1)	100.0
Newfoundland	69.8	(2)	10.5	(6)	19.7	(10)	100.0
9 Provinces	66.0	-	9.2	-	24.8	-	100.0
Ontario	55.1	(9)	14.4	(2)	30.5	(2)	100.0
Canada	61.9%		11.2%		26.9%		100.0%

Source: Canadian Association of University Business Officers, Financial Statistics of Universities and Colleges 1984-85

Table 11

Estimated Federal Government EPF Transfers

(Cash and Tax Points) to Ontario for University

Financial Support, 1977-78 to 1986-87

(Excluding Revenue Guarantees)

	Total Post Secondary			Universities					
				Federal Contribution*			Federal Share		
	Cash ($ millions)	Tax ($ millions)	Total ($ millions)	Cash* ($ millions)	Tax* ($ millions)	Operating Grants ($ millions)	Cash %	Tax %	Total Federal Share %
1977-78	391.3	324.3	715.6	282.9	234.5	703.6	40.2	33.3	73.5
1978-79	457.4	362.9	820.3	330.7	262.4	744.2	44.4	35.3	79.7
1979-80	518.4	410.6	929.0	374.8	296.9	781.9	47.9	38.0	85.9
1980-81	565.6	471.5	1,037.1	408.9	340.9	838.1	48.8	40.7	89.5
1981-82	623.9	535.5	1,159.4	451.1	387.1	923.5	48.8	41.9	90.8
1982-83	698.6	616.3	1,314.9	505.1	445.6	1,035.7	48.8	43.0	91.8
1983-84e	761.0	650.3	1,411.3	550.2	470.2	1,112.8	49.4	42.3	91.7
1984-85e	786.5	715.8	1,502.3	568.6	517.5	1,184.7	48.0	43.7	91.7
1985-86e	855.8	761.9	1,617.7	618.7	550.9	1,244.0	49.7	44.3	94.0
1986-87e	877.8	845.2	1,723.0	634.7	611.1	1,343.7	47.2	45.5	92.7

* Universities' share equals 72.3% of total post-secondary in Ontario.

e = estimated data.

Source: Canada, Department of Finance, Federal-Provincial Relations Division.
Ontario, Public Accounts, various years.

Table 12

Estimated Gross General Provincial Government Revenue Per Capita

and as a Percentage of Gross Domestic Product and Provincial Personal Income

1984-85

	Gross Domestic Product ($000,000's)	Gross General Revenue %	(Rank)	Provincial Personal Income ($000,000's)	Gross General Revenue %	(Rank)	Gross General Revenue Per Capita $	Index (Canada = 100.0)	(Rank)
British Columbia	49,974	18.9	(9)	42,338	22.3	(9)	$3,299	91.0	(8)
Alberta	60,007	22.2	(6)	35,995	37.0	(2)	5,692	157.0	(1)
Saskatchewan	17,437	21.5	(7)	13,123	28.5	(6)	3,706	102.2	(3)
Manitoba	16,636	21.4	(8)	14,540	24.5	(8)	3,359	92.7	(7)
Quebec	97,631	27.6	(4)	88,218	30.6	(5)	4,120	113.7	(2)
New Brunswick	8,074	30.5	(3)	7,664	32.1	(4)	3,447	95.1	(6)
Nova Scotia	10,444	27.4	(5)	10,196	28.1	(7)	3,284	90.6	(9)
Prince Edward Island	1,229	37.5	(1)	1,299	35.5	(3)	3,671	101.3	(4)
Newfoundland	5,995	35.2	(2)	5,618	37.6	(1)	3,646	100.6	(5)
9 Provinces Outside Ontario	267,427	24.3%	-	218,991	29.7%	-	4,031	111.2	-
Ontario	167,741	15.4	(10)	141,730	18.3	(10)	2,893	79.8	(10)
Canada	435,168	20.9%	-	360,721	25.2%	-	3,624	100.0	-

Source: Statistics Canada.

Table 13

Estimated Tax Capacity, Tax Revenue and Tax Effort

1985-86

	Estimated Tax Capacity Per Capita	Estimated Tax Revenue Per Capita	Estimated Tax Effort Per Capita	Estimated Tax Effort Adjusted for Surplus/Deficit
British Columbia	100.1	90.7	90.6	93.4
Alberta	194.0	174.4	89.9	81.1
Saskatchewan	104.6	107.9	103.1	104.6
Manitoba	81.6	79.0	96.9	107.2
Ontario	97.5	84.0	86.1	91.1
Quebec	81.9	113.6	138.7	131.0
New Brunswick	71.7	67.1	93.7	99.9
Prince Edward Island	66.2	62.9	95.0	93.4
Nova Scotia	77.0	65.4	84.9	97.0
Newfoundland	66.0	67.0	101.5	111.9
10 Provinces	100.0	100.0	100.0	100.0

Note: Tax capacity uses a representative tax system, consisting of the various taxes imposed by provincial governments, to reflect the resources which a government can tax to raise revenue for public purposes. Tax revenue is the relative amount per capita actually raised by provincial governments, (It excludes all federal transfers and local property taxes but includes provincial revenues from natural resources and an estimate of miscellaneous revenue not normally included in federal calculations in regard to equalization payments). Tax effort measures the extent to which a government is actually cultivating the resources available for taxation. Adjusting tax effort, for surpluses and deficits, treats borrowings (where there is a deficit) as a form of revenue and surpluses as a loss of revenues which would otherwise be available for spending.

Sources: Canada Department of Finance, Federal-Provincial Relations Division.
Statistics Canada.

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Table 14

Capital Expenditures and Borrowings

Province of Ontario, 1977-78 to 1986-87

($000,000's)

Year	Net Borrowings (1)	Net Cash Requirements (2)	Increase (Decrease) in Liquid Reserves (1) - (2) = (3)	Capital Expenditures (4)	Operating Funds Surplus (Deficit) (4) - (2) = (5) (3+4) - (1) = (5)
1977-78	1,506	1,762	(256)	1,536	(226)
1978-79	1,652	1,180	472	1,361	181
1979-80	1,132	584	548	1,561	977
1980-81	968	803	165	1,709	906
1981-82	1,363	1,503	(140)	2,311	808
1982-83	2,051	2,478	(427)	2,306	(172)
1983-84	2,860	2,289	571	2,244	(45)
1984-85	2,090	1,702	388	2,259	557
1985-86 (interim)	2,099	2,134*	(35)	2,222	88
1986-87 (budget)	1,506	1,544	(38)	2,408	864

Notes:

(1) Proceeds of Loans minus Retirement of Loans.
(2) Expenditures minus Revenues plus or minus net Non-Budgetary Transactions.
(3) Cash, temporary investments and marketable securities. The balance at the end of 1984-85 was $2.1 billion.
(4) Physical assets, buildings and land make up the bulk of this amount.
(5) Capital expenditures minus net cash requirements equals the surplus or deficit on current, operating expenditures. It is composed of the increase or decrease in liquid reserves plus capital investments and minus net borrowings.

*Includes Extraordinary Adjustments (net) of $505 million.

The above Table separates funds raised for operating purposes and funds raised for capital purposes. As shown in colum 5, in ten of the current and previous fourteen years, all operating fund requirements were met by taxation, federal transfers, or other revenue sources (i.e. no borrowed funds were involved). Net borrowings averaged $1.5 billion per year, but in most years were used to increase liquid reserves and to finance capital expenditures. Other capital expenditures were financed out of operating funds.

Source: Ontario Budget, various years.
Public Accounts, various years.

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Table 15

Average Salaries of Full, Associate and Assistant Professors

1977-78 To 1984-85

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
FULL PROFESSOR								
Actual	37,391	39,075	41,353	44,811	49,312	55,524	57,644	59,985
Constant	37,391	35,816	34,710	33,824	33,175	34,144	33,728	33,944
Index	100.0	95.8	92.8	90.5	88.7	91.3	90.2	90.8
ASSOCIATE PROFESSOR								
Actual	27,632	29,041	31,011	33,818	37,694	42,697	44,401	46,426
Constant	27,632	26,619	26,030	25,527	25,359	26,256	25,980	26,271
Index	100.0	96.3	94.2	92.4	91.8	95.0	94.0	95.1
ASSISTANT PROFESSOR								
Actual	21,951	23,299	24,958	27,013	30,055	33,865	35,557	36,736
Constant	21,951	21,356	20,949	20,390	20,220	20,825	20,805	20,788
Index	100.0	97.3	95.4	92.9	92.1	94.9	94.8	94.7
SUB-TOTAL (FULL, ASSOCIATE & ASSISTANT)								
Actual	29,093	30,752	33,030	36,157	40,247	45,648	47,576	49,479
Constant	29,093	28,187	27,724	27,292	27,076	28,071	27,837	27,998
Index	100.0	96.9	95.3	93.8	93.1	96.5	95.7	96.2
ALL RANKS								
Actual	28,358	30,030	32,294	35,340	39,360	44,688	46,554	48,540
Constant	28,358	27,525	27,107	26,676	26,480	27,481	27,239	27,467
Index	100.0	97.1	95.6	94.1	93.4	96.9	96.1	96.9

(Excluding OCA, Ryerson, Algoma, Nipissing, Hearst, and affiliates)

Source - Statistics Canada

Table 16

Salaries and Wages, Ontario Universities, 1977-78 to 1984-85
(1977-78 $ constant)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Academic Ranks								
Constant Dollars ($000)	$340,465	$328,527	$317,209	$309,829	$309,579	$320,583	$325,807	$330,422
Index Constant Dollars Per FTE Enrolment	100.0	96.5	93.2	91.0	90.9	94.2	95.7	97.1
	100.0	96.3	92.4	87.2	83.1	81.5	80.3	81.0
Other Instruction and Research								
Constant Dollars ($000)	$38,268	$35,519	$34,742	$34,451	$33,448	$33,441	$33,542	$33,968
Index Constant Dollars Per FTE Enrolment	100.0	92.9	90.8	90.1	87.5	87.4	87.7	88.8
	100.0	92.7	90.1	86.3	79.9	75.7	73.6	74.1
Non-Academic Staff								
Constant Dollars ($000)	$250,779	$240,317	$226,186	$218,856	$219,392	$226,513	$236,889	$241,646
Index Constant Dollars Per FTE Enrolment	100.0	95.8	90.2	87.3	87.5	90.3	94.5	96.4
	100.0	95.7	89.4	83.7	80.0	78.2	79.2	80.4
Total Salaries and Wages								
Constant Dollars ($000)	$629,492	$604,363	$578,137	$563,136	$562,419	$580,537	$596,238	$606,036
Index Constant Dollars Per FTE Enrolment	100.0	96.0	91.8	89.5	89.3	92.2	94.7	96.3
	100.0	95.9	91.1	85.7	81.7	79.9	79.4	80.3

Source: COFO-UO

Table 17

Comparison of Benefit Costs

1977-78 to 1985-86

($000 Constant 1977-78 Dollars)

(excluding OCA, Algoma, Nipissing, Hearst)

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86e
Statutory Benefits									
O.H.I.P.	5,821	6,098	5,423	4,646	4,736	5,368	5,316	5,445	5,562
Canada Pension	5,906	5,768	5,644	5,578	5,549	5,864	5,987	6,264	6,633
Worker's Compensation	948	846	826	776	927	1,058	1,102	1,287	1,510
Unemployment Insurance	7,250	6,605	5,504	6,356	7,649	8,831	11,307	11,838	12,205
Total Statutory Benefits	19,925	19,318	17,397	17,365	18,861	21,120	23,712	24,834	25,930
Non-Statutory Benefits									
Pension									
- Current Service	36,003	35,681	34,838	33,365	33,946	36,010	37,169	37,117	38,222
- Experience Deficiency	1,513	1,660	415	138	262	260	188	174	0
- Past Service Liability	3,466	3,251	2,038	654	99	327	410	518	152
Group Life Insurance	3,837	3,463	3,294	2,981	2,622	2,811	2,897	2,723	2,847
Long Term Disability	1,805	1,874	1,843	2,292	2,179	2,439	2,709	2,660	2,760
Dental Insurance	1,222	1,939	1,925	2,245	2,920	3,310	3,437	3,748	4,337
Extended Health Care	1,079	941	898	1,253	1,396	1,751	2,090	2,401	2,768
Tuition Remission	479	879	1,420	1,437	1,770	1,802	1,974	2,300	2,384
Other	485	434	518	495	654	618	435	244	939
Total Non-Statutory Benefits	49,890	50,123	47,189	44,860	45,848	49,327	51,311	51,884	54,409
Total Benefits	69,815	69,441	64,586	62,216	64,709	70,447	75,022	76,718	80,339

Figure 6
ONTARIO GOVERNMENT AND UNIVERSITIES'
CONTRIBUTORY BENEFITS AS A PERCENTAGE OF SALARIES
1977–78 to 1984–85

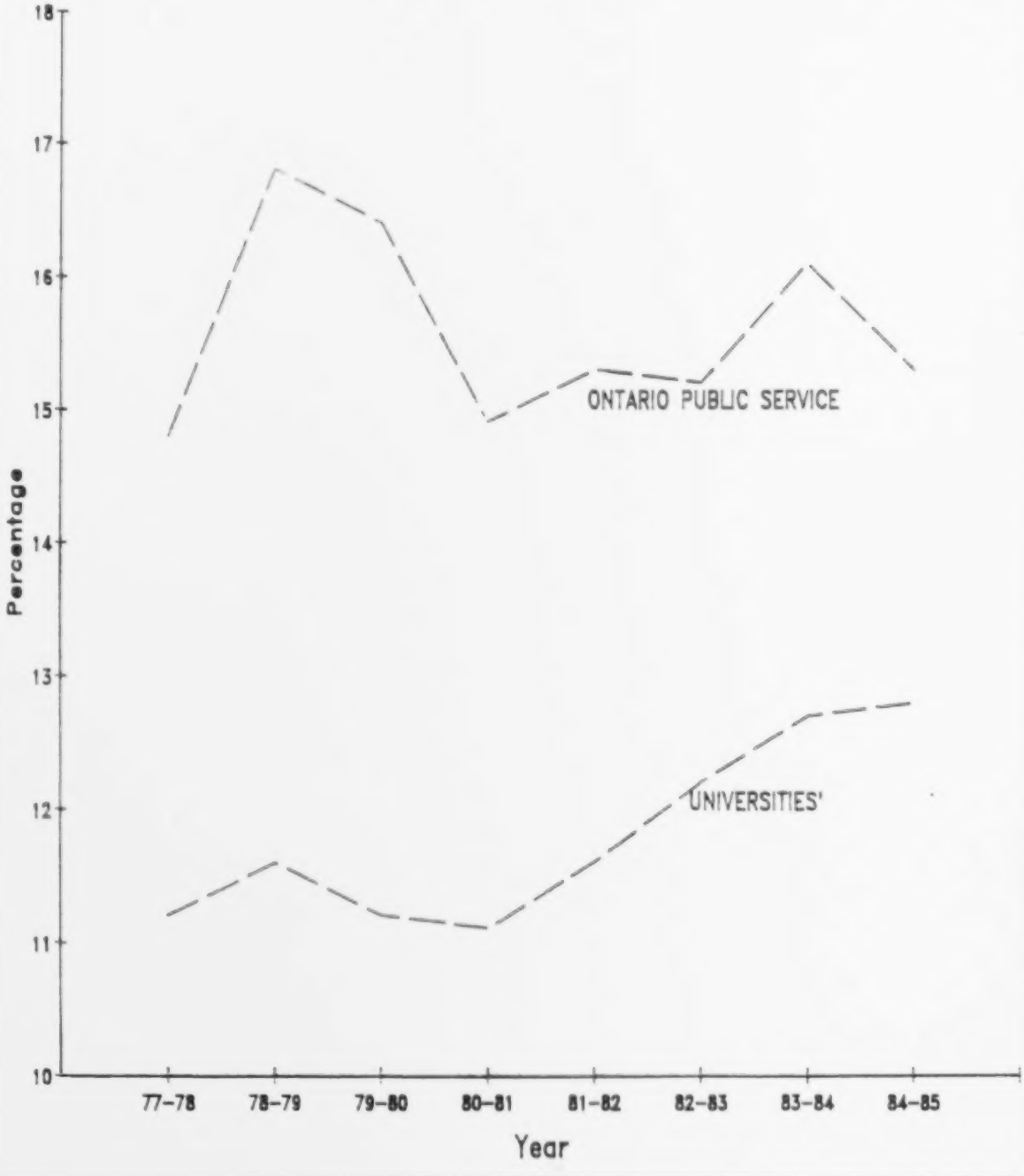

Figure 7
INDEX OF UNIVERSITY EXPENDITURES
ON LIBRARY ACQUISITIONS
1977–78 to 1984–85

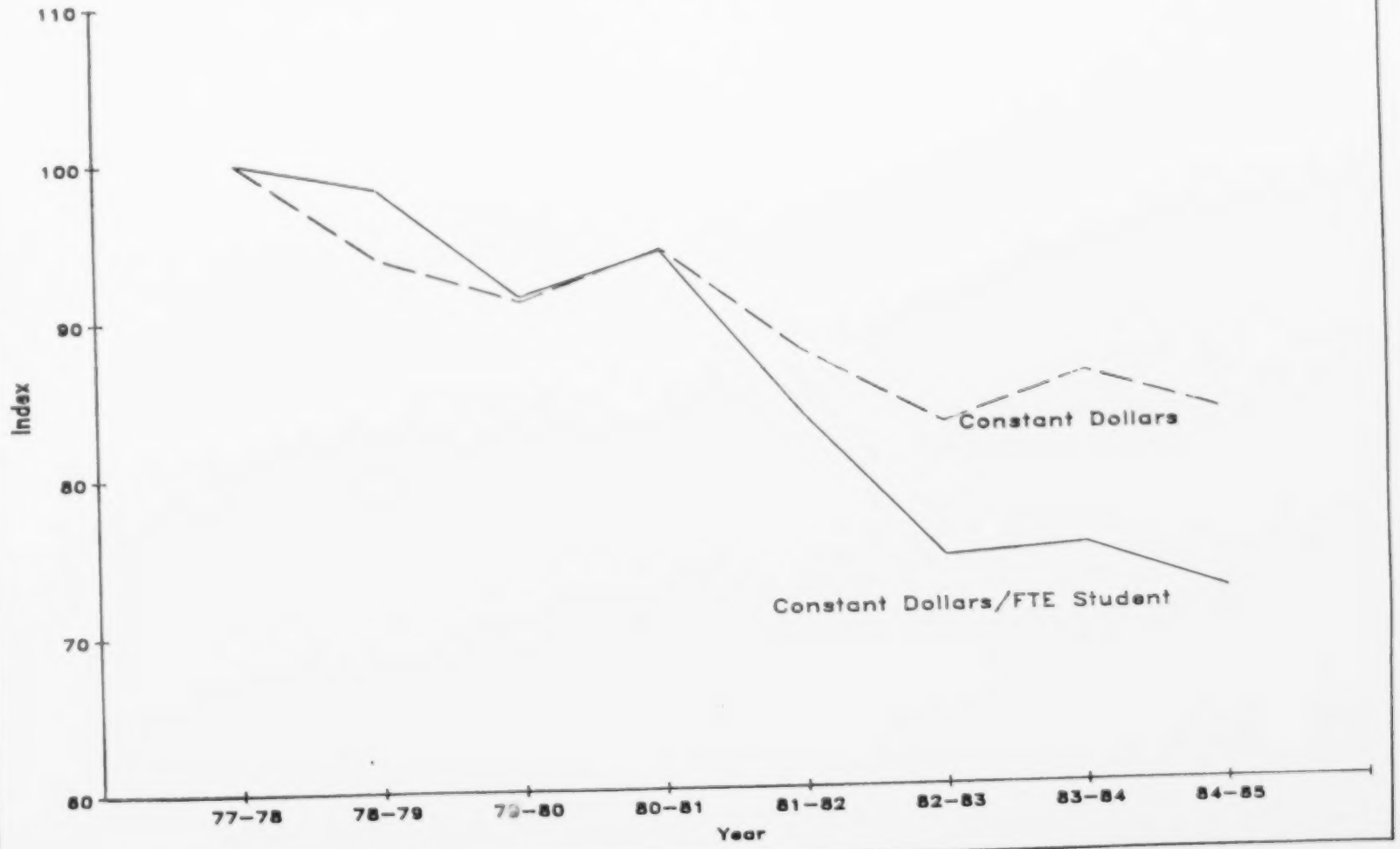

Table 13

Index of Expenditure on Library Acquisitions

	Acquisitions as % of Total Operating Expenses	Constant Dollars	Constant Dollars per FTE	Cost Index
1977-78	2.0	100.0	100.0	100.0
1978-79	2.1	93.9	98.3	115.4
1979-80	2.2	91.1	91.4	136.5
1980-81	2.3	94.3	94.2	148.0
1981-82	2.2	87.7	83.6	168.8
1982-83	2.1	83.0	74.5	198.1
1983-84	2.2	86.1	75.2	214.3
1984-85	2.2	83.5	72.2	236.1

Source: COFO-UO Financial Report of Ontario Universities, various years.
Bowker (U.S.) Hardcover Book and Periodical.
Price Indices converted for Canadian dollar fluctuations.

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Table 19

Buildings, Land and Site Services
Total Expenses By Province

1984-85

	University Buildings, Land, and Site Services ($000)	Building Expenses Per Capita $	Index	Rank	Building Expenses Per Estimated FTE Enrolment $	Index	Rank
British Columbia	$31,021	$10.76	161.0	(4)	$761.27	244.1	(2)
Alberta	42,904	18.35	274.7	(1)	923.64	296.2	(1)
Saskatchewan	12,240	12.04	180.2	(3)	552.37	177.1	(4)
Manitoba	13,981	13.13	196.4	(2)	561.55	180.1	(3)
Quebec	35,520	5.41	81.0	(5)	254.10	81.5	(5)
New Brunswick	2,903	4.05	60.6	(6)	183.80	58.9	(7)
P.E.I.	355	2.80	41.9	(8)	185.19	59.4	(6)
Nova Scotia	2,241	2.55	38.2	(10)	89.89	28.8	(10)
Newfoundland	1,619	2.80	41.8	(9)	157.09	50.4	(8)
9-provinces	142,784	8.83	132.2	-	436.66	140.0	-
Ontario	25,553	2.83	42.4	(7)	120.09	38.5	(9)
CANADA 10-provinces	$168,337	$6.68	100.0	-	$311.86	100.0	-

Source: CAUBO
Statistics Canada

Table 20

Capital Formation and Capital Stock, Ontario Universities

($000)

Years	Buildings				Equipment			
	Mid-Year Net Stock (Current Dollars)	Gross Fixed Capital Formation	Depreciation*	Net Fixed Capital Formation	Mid-Year Net Stock (Current Dollars)	Gross Fixed Capital Formation	Depreciation*	Net Fixed Capital Formation
1977	2,016,190	36,377	52,645	(16,268)	310,091	22,119	25,729	(3,610)
1978	2,125,921	28,543	56,680	(28,137)	343,954	24,221	29,958	(5,737)
1979	2,135,255	25,480	63,637	(38,157)	382,769	27,217	34,885	(7,668)
1980	2,533,321	55,740	70,349	(14,609)	421,190	36,538	40,081	(3,543)
1981	2,784,594	55,973	78,606	(22,633)	455,550	35,635	45,227	(9,592)
1982	2,984,261	51,258	85,903	(34,645)	495,207	41,632	51,197	(9,565)
1983	3,019,843	38,997	88,981	(49,984)	507,789	46,559	54,509	(7,950)
1984**	3,019,870	55,536	91,129	(35,593)	539,144	69,113	59,264	9,849
1985**	3,084,289	79,194	95,155	(15,961)	566,925	60,714	63,046	(2,332)

* Capital Consumption Allowances

** Estimates for the two most recent years are based respectively on preliminary and expected investment expenditures.

Source: Statistics Canada.

Table 21

Projected Annual Percentage Increases in the Consumer Price Index

	1985	1986	1987	1988	1989	1990
Economic Council of Canada1	4.0	3.7	4.0	3.7	3.9	4.3
Federal Department of Finance2	4.0	4.3	3.6	3.6	3.6	3.6
Conference Board of Canada3	4.0	3.3	3.3	4.6	4.7	3.4
Ontario Treasurer4	4.0	3.8	-	-	-	-
	1985-86	1986-87	1987-88	1988-89	1989-90	
Average of Projections Adjusted to University Fiscal Year (May 1 - April 30)	3.9	3.7	3.7	4.0	4.0	

1. Economic Council of Canada, Strengthening Growth (Base Case Projection), 1985.

2. Canada Department of Finance, February 1986, Budget, Mid-Range International Environment, 1988-91 average increase.

3. Conference Board of Canada, November 5, 1985.

4. Ontario Ministry of Treasury and Economics, 1986 Ontario Budget, 13 May 1986.

Figure 8
ANNUAL PERCENTAGE CHANGES IN THE
OUNSPI AND CPI
1977–78 TO 1984–85

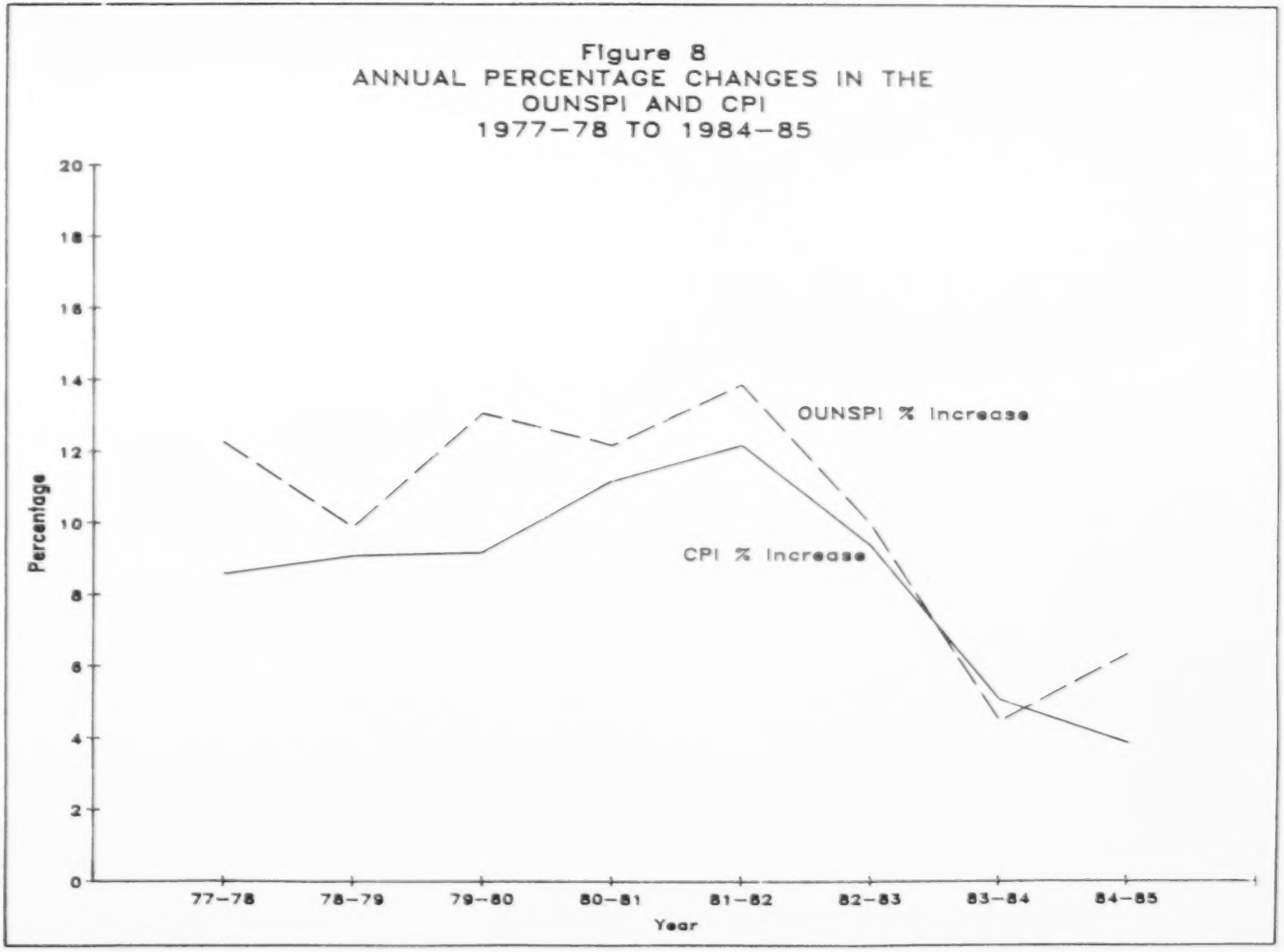

Table 22

Ontario University Non Salary Price Index

(1986 revision: 1980-81 = 100)

Year	OUNSPI	CPI	OUNSPI Annual % Increase	CPI Annual % Increase
Actual				
1970-71	37.8	44.7	-	-
1971-72	39.5	46.4	4.4	3.9
1972-73	40.8	48.8	3.4	5.1
1973-74	45.4	53.1	11.1	8.9
1974-75	52.9	59.2	16.6	11.4
1975-76	58.6	65.1	10.9	10.0
1976-77	63.9	69.5	8.9	6.8
1977-78	71.8	75.5	12.3	8.6
1978-79	78.8	82.4	9.9	9.1
1979-80	89.1	90.0	13.1	9.2
1980-81	100.0	100.0	12.2	11.2
1981-82	113.9	112.2	13.9	12.2
1982-83	125.4	122.7	10.0	9.4
1983-84	131.0	129.0	4.5	5.1
1984-85	139.4	134.0	6.4	3.9
Estimated				
1985-86	145.9	139.2	4.7	3.9
1986-87	152.4	144.4	4.4	3.7
1987-88	159.1	149.7	4.4	3.7
1988-89	166.8	155.7	4.8	4.0
1989-90	174.8	161.9	4.8	4.0

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Table 23

Comparison of University Benefit Costs

1983-84, 1984-85, and 1985-86

	1983-84 ($000's)	1984-85 ($000's)	Increase 1983-84 to 1984-85 ($000's)	Increase 1983-84 to 1984-85 %	1985-86 ($000's)	Projected Increase 1984-85 to 1985-86 ($000's)	Projected Increase 1984-85 to 1985-86 %
Statutory Benefits							
O.H.I.P.	9,167	9,757	590	6.4	10,369	612	6.3
Canada Pension	10,362	11,284	922	8.9	12,425	1,141	10.1
Worker's Compensation	1,893	2,294	401	21.2	2,836	542	23.6
Unemployment Insurance	19,519	21,244	1,725	8.8	22,773	1,529	7.2
Total Statutory Benefits	40,941	44,579	3,638	8.9	48,403	3,824	8.6
Non-Statutory Benefits							
Pension	63,990	66,415	2,425	3.8	71,113	4,698	7.1
- Current Service	322	309	(13)	-4.0	0	(309)	-100.0
- Experience Deficiency	700	919	219	31.3	281	(638)	-69.4
- Past Service Liability	5,066	4,955	(111)	-2.2	5,376	421	8.5
Group Life Insurance	4,676	4,771	95	2.0	5,149	378	7.9
Long Term Disability	5,901	6,684	783	13.3	8,035	1,351	20.2
Dental Insurance	3,585	4,277	692	19.3	5,122	845	19.8
Extended Health Care	3,379	4,089	710	21.0	4,408	319	7.8
Tuition Remission	772	455	(317)	-41.1	1,749	1,294	284.4
Other	88,391	92,874	4,483	5.1	101,233	8,359	9.0
Total Non-Statutory Benefits							
Total Benefits	129,332	137,453	8,121	6.3	149,636	12,183	8.9

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APPENDICES

Appendix A

Update of the Ontario University Non-Salary Price Index

The Ontario University Non-Salary Price Index was developed to provide "a more sensitive tool to assist in measuring the likely impact of inflation on non-salary expenditure, and a more accurate measure of the extent of inflationary erosion between any two years."* The OUNSPI measures both price changes between any two years and the overall change since the base period of the non-salary expenditure components, as well as the total non-salary portion of university budgets. It measures non-salary price changes for library acquisitions, equipment and furniture, operational supplies and expenses, utilities, renovations, alterations, and major repairs, externally contracted services, travel, insurance and space rental. In 1984, the OUNSPI was revised to take account of altered patterns of expenditure.

The following tables update both the index values and the price variations to 1984-85:

- Table A-1 provides information on the annual percentage variation of components.
- Table A-2 provides un update of index values for each component based on 1980-81 being equal to 100.0.

Figure A-1 identifies the sources of information for the various components employed in the OUNSPI and indicates the index weights employed for each component in the calculation of the overall, non-salary price index.

*Council of Ontario Universities, Ontario University Non-Salary Price Index, February 1978.

Table A-1

Annual Percentage Variation in the Ontario University Non-Salary Price Index Components

Component	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Books	9.9	-3.7	-5.3	13.0	19.5	4.1	19.2	9.5	25.2	3.5	10.8	17.0	3.2	1.9e
Periodicals	8.3	11.3	23.7	6.9	17.1	9.5	17.8	22.3	11.0	14.5	16.1	17.6	12.5	10.7
Equipment	1.4	0.4	5.2	19.2	13.1	4.6	16.5	15.0	11.1	12.5	15.3	7.3	2.8	9.1
Computing	1.9	1.4	1.2	1.4	7.9	0.5	9.1	6.2	5.9	19.8	14.9	1.4	0.4	6.6
Furniture	5.0	4.7	11.0	14.8	8.5	6.1	4.9	7.0	12.8	10.4	12.3	7.2	4.5	6.7
Stationery and Paper	1.1	2.0	20.3	33.8	9.0	3.6	5.0	9.9	17.3	14.1	9.0	-0.6	0.9	10.7
Printing Materials	1.7	4.5	22.7	23.5	2.2	-0.7	4.2	7.2	14.2	10.0	10.1	2.6	2.7	6.7
Tools and Apparatus	3.2	2.3	6.8	16.0	10.9	6.5	11.6	10.6	16.7	14.3	11.6	8.3	4.3	5.9
Chemicals	1.1	1.8	11.0	30.5	10.0	4.2	6.0	8.7	16.7	15.0	12.7	5.0	3.3	2.7
Postage	12.3	7.6	-	-	0.4	19.3	25.3	17.0	19.6	0.2	24.2	40.9	5.1	0.0
Long Distance	2.6	4.5	1.9	1.0	3.7	7.4	9.3	5.6	3.5	4.5	11.5	15.1	5.4	1.4
Electricity	4.9	6.9	8.0	8.2	9.4	28.3	28.3	5.3	10.4	11.7	9.8	9.7	8.3	8.1
Gas	1.5	0.4	4.9	12.4	25.8	22.1	15.6	14.6	5.5	17.9	26.5	22.0	5.0	1.4
Oil	11.7	-3.3	54.4	52.1	10.1	18.5	20.8	14.8	26.8	22.4	24.6	7.4	13.7	11.9
Telephone	2.6	4.5	1.9	1.0	3.7	7.4	9.3	5.6	3.5	4.5	11.5	15.1	5.4	1.4
Water	-	-	-	7.7	8.5	12.3	11.7	7.6	7.3	8.3	12.4	11.7	6.7	6.5
Renovations	4.4	5.2	11.9	19.0	5.5	5.6	6.8	11.1	15.1	9.4	9.7	4.8	4.6	3.3
Transportation	3.9	1.8	5.0	11.0	12.2	9.2	6.0	6.6	11.4	14.4	18.1	10.7	4.7	3.9
Shelter	5.3	6.0	6.5	7.7	9.7	10.9	8.5	6.7	5.5	7.6	12.5	11.0	5.7	3.8
Food Away From Home	4.5	7.6	15.7	18.4	11.9	7.4	5.3	8.7	12.1	8.5	9.9	9.6	4.5	5.0
Insurance	28.5	20.9	22.4	13.2	26.0	21.2	12.2	5.9	5.8	8.9	20.0	8.4	3.6	2.8
Space Rental	5.3	6.0	6.5	7.7	9.7	10.9	8.5	6.7	5.5	7.6	12.5	11.0	5.7	3.8

e = estimated figure

Table A-2

Component Price Indices in the Ontario University Non-Salary Price Index

(Based on the Fiscal Year 1980-81 = 100)

Components	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85
Books	42.0	46.1	44.4	42.0	47.5	56.8	59.1	70.5	77.2	96.6	100.0	110.8	129.6	133.8	136.4e
Periodicals	26.7	29.0	32.2	39.8	42.6	49.9	54.6	64.1	78.7	87.4	100.0	116.1	136.5	153.6	179.1
Equipment	39.6	40.1	40.3	42.4	50.5	57.1	59.7	69.6	80.0	88.9	100.0	115.3	123.7	127.2	138.8
Computing	58.0	59.1	60.0	60.7	62.7	67.7	68.0	74.2	78.8	83.5	100.0	114.9	116.5	117.0	124.7
Furniture	44.4	46.6	48.8	54.1	62.1	67.4	71.5	75.0	80.3	90.5	100.0	112.1	120.1	125.7	134.1
Stationery and Paper	34.5	34.9	35.6	42.8	57.3	62.4	64.7	68.0	74.7	87.6	100.0	109.0	108.4	109.1	121.0
Printing Materials	43.6	44.4	46.4	56.9	70.3	71.8	71.3	74.2	79.6	90.9	100.0	110.1	113.2	116.2	124.0
Tools and Apparatus	39.1	40.6	41.5	44.3	51.4	57.1	60.7	67.8	74.9	87.5	100.0	111.6	120.9	126.1	133.5
Chemicals	37.9	38.1	39.0	43.3	56.4	62.1	64.7	68.6	74.5	86.9	100.0	112.7	118.1	122.2	125.6
Postage	39.1	44.2	47.5	47.5	47.5	47.7	56.9	71.1	83.4	99.8	100.0	124.2	175.0	183.9	183.9
Long Distance	65.2	66.9	69.9	71.2	72.0	74.6	80.2	87.6	92.5	95.7	100.0	111.5	128.4	135.1	137.1
Electricity	32.7	34.1	36.6	39.6	42.8	46.8	60.0	77.0	81.1	89.5	100.0	109.8	120.5	130.5	141.1
Gas	32.9	33.4	33.5	35.1	39.5	49.7	60.7	70.2	80.4	84.8	100.0	126.5	154.3	162.0	164.3
Oil	14.0	15.7	15.2	23.4	35.6	39.2	46.5	56.2	64.5	81.7	100.0	124.6	133.8	152.2	170.1
Telephone	65.2	66.9	69.9	71.2	72.0	74.6	80.2	87.6	92.5	95.7	100.0	111.5	128.4	135.1	137.1
Water	54.5	54.5	54.5	54.5	58.7	63.7	71.6	80.0	86.0	92.3	100.0	112.4	125.5	134.0	142.8
Renovations	41.1	42.9	45.1	50.5	60.0	63.4	66.9	71.5	79.4	91.4	100.0	109.7	115.0	120.2	124.2
Transportation	46.0	47.7	48.6	51.1	56.7	61.6	69.5	73.7	78.5	87.4	100.0	118.1	130.7	136.7	142.1
Shelter	48.9	51.4	54.5	58.1	62.6	68.6	76.1	82.6	88.1	93.0	100.0	112.5	124.8	131.9	136.9
Food Away From Home	38.8	40.5	43.6	50.4	59.7	66.8	71.8	75.6	82.2	92.1	100.0	109.9	120.4	125.8	130.9
Insurance	22.2	28.6	34.5	42.3	47.8	60.3	73.0	82.0	86.8	91.9	100.0	120.0	130.1	137.3	141.2
Space Rental	48.9	51.4	54.5	58.1	62.6	68.6	76.1	82.6	88.1	93.0	100.0	112.5	124.8	131.9	136.9

e = estimated figure.

Figure A-1

Source and Weighting Pattern of Component Indices

Component	Index Weight	Source
Books	7	Bowker (U.S.) Hardcover Book Price Index, converted for Canadian dollar fluctuations
Periodicals	7	Bowker (U.S.) Periodical Price Index, converted for Canadian dollar fluctuations
Equipment	10	U.S. Department of Labor. Monthly Labor Review. Price index for machinery and equipment, converted for Canadian dollar fluctuations
Computing	10	Research Associates of Washington. Higher Education Prices and Price Indexes: 1984 Update. Data processing hardware. Converted for Canadian dollar fluctuations
Furniture	2	Statistics Canada Industry Selling Price Index - Office Furniture Manufacturers
Stationery and Paper	8	Statistics Canada Industry Selling Price Index - Paper and Allied Industries
Printing Materials	7	Statistics Canada Industry Selling Price Index - Fine Papers
Tools and Apparatus	8	Statistics Canada Industry Selling Price Index - Hardware, Tool and Cutlery Manufacturers
Chemicals	4	Statistics Canada Industry Selling Price Index - Chemical & Chemical Products Industries
Postage	3	Statistics Canada Consumer Price Index - Postage
Long Distance	2	Statistics Canada Consumer Price Index - Communications
Electricity	9	Statistics Canada Industry Selling Price Index - Electric Power Selling Price Index (Non-Residential) over 5,000 KW - Ontario
Gas	7	Statistics Canada Consumer Price Index - Piped and Bottled Gas
Oil	1	Statistics Canada Industry Selling Price Index - Heavy Fuel Oil, #6
Telephone	4	Statistics Canada Consumer Price Index - Communications
Water	1	Statistics Canada Consumer Price Index - Water
Renovations	3	Statistics Canada Construction Building Material Price Index - Non-Residential
Transportation	3	Statistics Canada Consumer Price Index - Transportation
Shelter	1	Statistics Canada Consumer Price Index - Shelter
Food Away From Home	1	Statistics Canada Consumer Price Index - Food Purchased From Restaurants
Insurance	1	Statistics Canada Consumer Price Index - Homeowner's Insurance Premiums
Space Rental	1	Statistics Canada Consumer Price Index - Shelter

Appendix B

Report of the Committee on Enrolment Statistics and Projections

Summary of Situation in 1985-86

Detailed data for 1985-86 on full-time enrolment provided to CESP by the universities show that full-time undergraduate enrolment declined by 0.3% while full-time graduate enrolment remained the same. Summary data obtained from MCU showed that part-time enrolment increased by 0.2% at the undergraduate level and by 1.3% at the graduate level.

Closer examination of the detailed full-time data shows that first year undergraduate enrolment (excluding education and professional programmes such as law and medicine) increased by 1.3% in 1985-86, a gain of almost 600 students. As the number of visa students had declined by 300, this represented an increase of 900 first year Canadian and landed immigrant students. New entrants from Ontario grade 13 increased by almost 1%, in spite of a 20% drop for new visa student entrants. New entrants from all other sources declined by 1.7%. A number of programmes showed enrolment increases in first year; journalism was up by 14%, fine arts by 9%, nursing by 6% and engineering by 2.4%. Enrolment declines were shown in household science, physical education and social work. First year enrolment in arts and science increased by 1.4% and in commerce and business by 2.7%.

Undergraduate enrolment in upper years (again excluding education and professional programmes) decreased by 1.0% in 1985-86. The decline for visa students was 27%, over 1900 students. Upper years enrolment in arts and science programmes was down marginally and declines were

registered in most other programmes (e.g. commerce and business by 2.9% and engineering by 8.1%). However, both nursing and physical education showed gains of over 2%.

Following a decline of 7.4% in 1984-85, education programmes showed a modest decrease of 1.7% in 1985-86. This resulted from a 2.6% decline in first year even though upper years enrolment had increased. Enrolment in professional programmes showed a marginal decline of 0.7% in spite of a first year increase of 6%.

At the graduate level, full-time enrolment in master's and first stage doctoral programmes decreased by 1.3%. New entrants were down slightly and upper years enrolment declined 2%. The decline in upper years was due to visa student enrolment which dropped 5.2%. However, new visa student entrants were up by 1%. At the second stage doctoral level, enrolment increased by 2.5% even though visa student enrolment declined by 12%. The major decline in visa student doctoral enrolment was in upper years, a drop of 14%. Overall at the second stage doctoral level, new entrants increased by 8.4% and upper years enrolment by 1.2%.

Projections for 1986-87

While full-time enrolment in 1985-86 was slightly below the 1984-85 figure, the decline was attributable to visa students. Enrolment of Canadian and landed immigrant students was once again higher than might have been predicted, both in upper years and at the first year level. The demand for places in university remained high in spite of the decline in Ontario grade 13 enrolment.

a) Full-Time Undergraduate Enrolment

Preliminary data provided by the Ministry of Education show that in Fall

1985 the number of students intending to apply to university declined by 2.7% compared to the previous year. In addition, Statistics Canada population projections based on the 1981 census predict a 7.6% decline in the number of 19 year olds in 1986-87. However, CESP does not view the number of students seeking admission into university as being the only factor affecting enrolment levels in 1986-87. It would appear that enrolment at the present time is being driven by institutional capacity rather than by demand. Continuing uncertainties about the funding formula will lead institutions to try to maintain stable enrolments. There are also indications that a few institutions will attempt to increase intake to make up for enrolment declines experienced in recent years. In view of the above factors, CESP projects that first year undergraduate enrolment (excluding education and professional programmes) will be 46,500 students, a decline of 1.2%.

Although upper years enrolment declined in 1985-86, it was thought that this was probably due to a larger than normal graduating class, following three years after the large intake into arts and science programmes which occurred in 1982-83. As a result, CESP projects that upper years enrolment will reach 100,000, an increase of 0.7%. It is expected that enrolments in education and professional programmes will remain stable at 3,400 and 8,200 respectively.

In summary, CESP projects full-time undergraduate enrolment of around 158,100. This represents a decrease of 0.4%.

b) Full-Time Graduate Enrolment

It would appear that visa student intake at the master's level has stabilized and that improvements in the economy may lead to fewer

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Canadian entrants, particularly in engineering. Recent advances in the area of bio-technology may, however, stimulate enrolment in the biological sciences. While it would seem that there is a general desire to increase enrolment in graduate studies despite limited resources, confusion surrounding the grandfathering arrangements of visa students (grandfathered visa students are not required to pay the additional foreign student fees) will tend to make further increases unlikely. In consideration of these points, CESP projects that full-time graduate enrolment will remain unchanged in 1986-87.

c) Part-Time Enrolment

CESP attributed the increase in part-time undergraduate enrolment in 1985-86 to a number of factors, e.g. students coming back for a second degree or diploma and the popularity of distance education. While recognizing that part-time undergraduate enrolment could increase in 1986-87 if distance education gains greater popularity, CESP projects level enrolment. At the graduate level, CESP projects in increase of 2% in part-time enrolment, reflecting the demand for upgrading of qualifications.

In summary, overall full-time equivalent enrolment (all levels both full-time and part-time) in the Ontario universities is projected to remain relatively stable in 1986-87.